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CHINA ENVIRONMENTAL RESOURCES GROUP LIMITED

中國環境資源集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1130)

VOLUNTARY ANNOUNCEMENT

BUSINESS UPDATE

This is a voluntary announcement made by China Environmental Resources Group Limited (the “**Company**”, and together with its subsidiaries, collectively referred to as the “**Group**”) in relation to the latest business development of the Group.

The board of directors (the “**Board**”) would like to update the shareholders (the “**Shareholders**”) that the Board had decided to explore an investment in the hotel and restaurant service industry in Nepal. Economic development of Nepal is positive. According to a working paper published by the World Bank on 5 June 2019, gross domestic product growth in Nepal is estimated at 7.1 percent in financial year 2019, driven mainly by the service and agriculture sectors. The service sector is likely to grow by 7.5 per cent due to a boost in the retail, hotel and restaurant sub-sector, driven by an uptick in tourist arrivals and remittance-fueled private consumption. An indirectly wholly own subsidiary (the “**Subsidiary**”) has been formed as an investment vehicle for the Company’s Nepal investment and the Company is negotiating a lease at Kathmandu to operate a hotel with restaurant outlets.

As of the date of this announcement, the investment is at preliminary stage, the Company has no contractual obligation to lease up property at any location in Kathmandu and no definitively or binding agreement has been entered into. If the investment in the hotel and restaurant service industry in Nepal constitutes a notifiable transaction under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), the Company will comply with the applicable requirements of the Listing Rules and make further announcement as and when appropriate in compliance with the Listing Rules.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
China Environmental Resources Group Limited
Yeung Chi Hang
Chairman and Chief Executive Officer

Hong Kong, 30 July 2019

As at the date of this announcement, the Board comprises five executive directors, namely Mr. Yeung Chi Hang, Mr. Leung Kwong Choi, Mr. Wong Po Keung, Mr. Chung Siu Wah and Mr. Chik To Pan; and three independent non-executive directors, namely Mr. Wong Kwai Sang, Mr. Ong Chi King and Mr. Heung Chee Hang, Eric.